

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 2918-06
BILL NO.: HCS for SCS for SB 721 with HA 1
SUBJECT: Utilities; Telecommunications
TYPE: Original
DATE: May 2, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Blindness Education, Screening and Treatment Program	\$62,645	\$0	\$0
Highway	(\$121,687)	\$1,305	\$1,345
General Revenue	\$0	(\$0 to \$600,000)	(\$0 to \$100,000)
Assistive Technology Loan Revolving	\$0	\$0	\$0
Deaf Relay Service & Equipment Distribution	(\$650,000)	(\$650,000)	(\$650,000)
Total Estimated Net Effect on <u>All</u> State Funds	(\$709,222)	(\$648,695) to (\$1,248,695)	(\$648,655) to (\$748,655)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None	\$0	\$0	\$0
Federal	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds*	\$0	\$0	\$0

* Net of up to \$500,000 in federal funds drawn down and loaned out.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses
This fiscal note contains 10 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Mental Health (DMH)**, the **Department of Health (DOH)**, the **Department of Social Services (DOS)**, the **Department of Elementary and Secondary Education (DES)**, and the **Office of Administration - Division of Information Technology** assume the proposal would result in no direct fiscal impact to their agencies.

Officials from the **Department of Labor and Industrial Relations, Missouri Assistive Technology Project, (DOL)** stated that regarding the Assistive Technology Loan Program, Title III provides matching federal funds for states to establish no-interest or low-interest loans for the purchase of assistive technology. Each state has been allotted \$500,000 for program start-up. They assume no new staff would be required, and existing positions, currently funded with federal Title Assistive Technology Act dollars, would be used to support program development in FY 2001. An FY 2002 decision item for state general revenue would be developed for staff time and internal operation costs (about \$100,000 annually based on a million dollar program) and a one-time state appropriation of matching dollars (up to \$500,000 if that is the federal allotment). Administrative costs would be for contracts with community organizations, communicating availability of grants to affected members of the public, expenses for meeting with community organizations, and supplies. **Oversight** assumes administrative costs would vary with the amount of funds available for loans.

Officials from the **State Treasurer's Office (STO)**, in a response to a similar proposal (HB 1061 from the 1999 legislative session, assumed that a new accounting fund would be created in the state treasury: the Assistive Technology Loan Revolving Fund. The proposed legislation would slightly increase the number of accounting transactions processed through their accounting system and increase the available funds for investment. The STO would absorb the costs associated with increased accounting transactions and investments through their current appropriations.

ASSUMPTION (continued)

Officials from the **Department of Economic Development - Public Service Commission (PSC)** assume the proposed legislation would result in the need to purchase additional equipment, resulting in total costs of approximately \$2.5 million. The PSC assumes these costs would be spread over three years, for a total of \$737,634 in FY 01 and \$885,172 in both FY 02 and FY 03. These costs are based on the assumption that the proposal would broaden the scope of the clientele served and the potential expenditures by: substituting “telephone” with “telecommunications”; including computer input and output adaptations necessary for telecommunications access; redefining eligible subscriber; and requiring development of procedures to match disabled individuals with adaptive equipment.

The PSC has assumed the scope would be expanded to include the blind and those with other disabilities. Based on an estimated blind population in Missouri of 103,876, the PSC has assumed 105 would utilize the program at a cost of \$21,485 per person. Additionally, the PSC has assumed 72 individuals with other disabilities would take advantage of the program, at a cost of \$1,195 each. Other costs would include consumer support and outreach for a cost of \$306,056 for the three year time period.

To implement the proposal, officials from the **Department of Labor and Industrial Relations (DOL)** assume it would be necessary to hire two additional staff, including one Disability Program Specialist and one Administrative Secretary. In addition, the DOL estimates \$400,000 equipment expenditures in FY 01, \$650,000 in FY 02 and \$675,000 in FY 03. There would also be associated contractual expenses of approximately \$200,000 per year. Total annual costs are estimated at approximately \$1 million per year.

Oversight assumes the program would be placed under the Department of Labor and Industrial Relations and therefore, has reflected costs to the DOL in the fiscal impact specifications below. Additionally, Oversight has adjusted the fiscal impact to annual equipment costs of \$650,000, which reflects the result of a Legislative Research Oversight Subcommittee vote on February 1, 2000.

Officials from the **Department of Economic Development - Office of Public Counsel (OPC)** and the **Department of Natural Resources (DNR)** assume the proposed legislation would have either minimal or no fiscal impact on their agencies.

ASSUMPTION (continued)

Blindness education, screening and treatment program:

Officials from the **Department of Social Services** assume this proposal would not fiscally impact their agency.

Department of Health (DOH) officials state that currently, there are 3.8 million licensed drivers in Missouri (per Department of Revenue). DOH assumes roughly one-third or 1,266,666 drivers would be licensed each year. Because this is a new program DOH anticipates that only 7% of license renewal would donate a dollar each year. However, the rate would probably increase as the program became better known or advertised (1,266,666 licensed drivers X 7% of people contributing = \$88,667 in annual donations). This is based on past experience with similar programs in Missouri (Organ Donor Program).

DOH also states that currently, there are 5.7 million motor vehicles licensed in Missouri (per Department of Revenue, 1998). DOH states the motor vehicles in this 5.7 million include not only vehicles licensed for personal use but also fleet vehicles, i.e. those licensed by private companies, taxi cab companies, trucks, and the like which most likely would not contribute to the fund. Because this is a new program DOH anticipates that approximately 1% of people registering motor vehicles for personal use would donate a dollar to the program (3.8 million motor vehicles licensed for personal use X 1% of people contributing = \$38,000 in annual donations).

DOH estimates \$126,667 would be received in annual donations. DOH assumes that it would contract with a nonprofit organization that deals with community blindness education for program development, education, screenings and eye examinations, and vision treatment services. DOH assumes a one percent administrative cost for DOR for collection. DOH assumes no spending in the first year in order to let the fund accumulate resources. DOH assumes the program would not begin until January 1, 2001.

Department of Revenue (DOR) officials state the proposal would create the Blindness Education, Screening, and Treatment Program Fund. Applicants for motor vehicle or trailer registrations or driver license transactions would be asked if they wish to donate a dollar to promote blindness awareness. The donations collected in the DOR license offices would be deposited in the Blindness Education, Screening, and Treatment Fund.

ASSUMPTION (continued)

ADMINISTRATIVE IMPACT

DIVISION OF MOTOR VEHICLE AND DRIVER LICENSING

Field Services Bureau

DOR assumes this proposal only applies to all driver license transactions and only vehicles registered pursuant to section 301.020, as this section only pertains to motor vehicles and trailer registration. This proposal would require each applicant for a motor vehicle or trailer registration or drivers license transaction to be inquired in order to determine if he or she wants to make a one dollar donation to the Blindness Education, Screening and Treatment Program Fund. The Field Services Bureau estimates this additional inquiry would increase motor vehicle and driver licensing processing time an average of 15 seconds per transaction. This increased processing time would require an additional 3 FTE in order to process driver license transactions and 10.5 additional FTE to process motor vehicle and trailer registrations.

Drivers License Bureau

The over-the-counter licensing system would require programming in order to account for the collection of the one dollar donation. Polaroid, Inc., (software vendor) estimates 440 hours of programming for this requirement.

440	Estimated Hours of Programming
x \$125	Hourly Contracted Programming Rate
\$55,000	Total Programming Cost

Motor Vehicle Bureau

The automated field office title and registration system would require programming in order to account for the collection of the one dollar donation. The Motor Vehicle Bureau estimates that 450 hours of programming will be required by RSI, Inc., (software vendor) in order to meet the for requirements for this proposal.

450	Estimated Hours of Programming
x \$150	Hourly Contracted Programming Rate
\$67,500	Total Programming Cost

ASSUMPTION (continued)

Information Technology Management Bureau

The internal information systems of the Department of Revenue would require program

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modifications in order to meet the requirements of this proposal. The Information Technology Management Bureau estimates .5 FTE are needed to provide the program modifications for six months.

Oversight assumes no additional FTE would be required to fulfill the requirements of this proposal.

This proposal would result in an increase in Total State Revenues.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (6 Mo.)	FY 2002	FY 2003
BLINDNESS EDUCATION, SCREENING AND TREATMENT PROGRAM FUND			
<u>Income - Department of Revenue</u>			
Donations	\$63,278	\$130,467	\$134,382
<u>Costs - Department of Revenue</u>			
Collection fee	(\$633)	(\$1,305)	(\$1,345)
<u>Costs - Department of Health</u>			
Contract for services	<u>\$0</u>	<u>(\$129,162)</u>	<u>(\$133,037)</u>
ESTIMATED NET EFFECT ON BLINDNESS EDUCATION, SCREENING AND TREATMENT PROGRAM FUND	<u>\$62,645</u>	<u>\$0</u>	<u>\$0</u>

HIGHWAY FUNDS

<u>Income - Department of Revenue</u>			
Collection fee	\$633	\$1,305	\$1,345
<u>Costs - Department of Revenue</u>			

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<u>FISCAL IMPACT - State Government</u>	FY 2001 (6 Mo.)	FY 2002	FY 2003
Reprogramming costs	<u>(\$122,500)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON HIGHWAY FUNDS	<u>(\$121,867)</u>	<u>\$1,305</u>	<u>\$1,345</u>

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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GENERAL REVENUE FUND

Costs-Department of Labor and Industrial Relations

Appropriation to Assistive Technology

Loan Revolving Fund	0	(\$0 to \$500,000)	0
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Administering the loan program	0	(\$0 to \$100,000)	(\$0 to \$100,000)
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ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>\$0</u>	<u>(\$0 to \$600,000)</u>	<u>(\$0 to \$100,000)</u>
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FEDERAL FUNDS

Income-Department of Labor and Industrial Relations

Federal Matching Grant	0	\$0 to \$500,000	0
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Cost-Department of Labor and Industrial Relations

Assistive Technology Loans	0	(\$0 to \$500,000)	0
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**ESTIMATED NET EFFECT
 ON FEDERAL FUNDS**

<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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**ASSISTIVE TECHNOLOGY LOAN
 REVOLVING FUND**

Income-Department of Labor and Industrial Relations

Appropriation from General Revenue Fund	\$0	\$0 to 500,000	\$0
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Loan Repayments	0	0	\$0 to Unknown
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Cost-Department of Labor and Industrial Relations

Assistive Technology Loans	0	(\$0 to \$500,000)	(\$0 to Unknown)
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**ESTIMATED NET EFFECT ON
 ASSISTIVE TECHNOLOGY LOAN
 REVOLVING FUND**

<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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**DEAF RELAY SERVICE AND
 EQUIPMENT DISTRIBUTION FUND**

Costs - Department of Labor and Industrial
 Relations - (DOL)

Equipment	(\$650,000)	(\$650,000)	(\$650,000)
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**ESTIMATED NET EFFECT TO
 DEAF RELAY SERVICE AND
 EQUIPMENT DISTRIBUTION FUND**

<u>(\$650,000)</u>	<u>(\$650,000)</u>	<u>(\$650,000)</u>
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FISCAL IMPACT - Local Government

FY 2001 (10 Mo.)	FY 2002	FY 2003
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0	0	0
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses is expected as a result of this proposal.

DESCRIPTION

The proposal would require the Missouri Assistive Technology Advisory Council to establish an assistive technology loan program to provide loans for the purchase of assistive technology devices and services as defined in section 191.850, RSMo. After July 1, 2001, upon appropriation and upon the state's receipt of any federal matching grant moneys, the loan program would provide loans. The proposal would create the Assistive Technology Loan Revolving Fund to be administered by the Missouri Assistive Technology Advisory Council and the State Treasurer. Moneys in the fund would be used to establish and maintain the assistive technology loan program.

The proposed legislation would require the Missouri Assistive Technology Advisory Council to provide a statewide telecommunications equipment distribution program to basic telecommunications service to those eligible subscribers who are unable to use traditional telecommunications equipment due to disability. The act would add definitions to expand the scope of the program to all telecommunications equipment, including voice and text.

The program administrator would be required to provide consumer support and outreach; provide a full range of adaptive telecommunications equipment to meet the needs of individuals with all types of disabilities; and expend no less than 10% of total expenditures for consumer support and outreach and no more than 20% of total expenditures for program administration in any fiscal year. The Missouri Assistive Technology Advisory Council would be the program administrator for the statewide telecommunications equipment distribution program.

The Council would adopt procedures to limit eligibility based on factors deemed appropriate by the program administrator.

This proposal would establish the Blindness Education, Screening and Treatment Program Fund in the state treasury. The fund would be financed from a voluntary \$1 contribution from

DESCRIPTION (continued)

applicants who renew their motor vehicle registration and from a voluntary \$1 contribution from driver's license applicants. Moneys in the fund can be used for the purpose of financing a Blindness Education, Screening and Treatment Program. Unexpended balances in the fund would not revert to the credit of general revenue or any other fund at the end of any fiscal year. Subject to the availability of funding, the Department of Health would be required to develop a Blindness Education, Screening and Treatment Program for the purposes of providing blindness prevention education, screening, and treatment for persons who do not have adequate coverage under their health benefit plan. The proposal would require the department to develop

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regulations governing eligibility requirements for the program and specifies the operation and features of the program. The effective date of the proposal would be January 1, 2001.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

This proposal would not affect Total State Revenues.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
State Treasurer's Office
Department of Social Services
Department of Health
Department of Labor and Industrial Relations-Missouri Assistive Technology Project
Department of Mental Health
Office of Administration
Office of Information Technology
Department of Economic Development - Public Service Commission
Department of Economic Development - Office of Public Counsel
Department of Natural Resources
Department of Revenue



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Director
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